VOL. 1 EDMONTON, JULY 15th, 1948 No. 2

Government Confident—

Policy On Resources Spurs Development

"Within Our Borders" is a publication designed to acquaint the people of the Province with the administration and services of the Alberta Government.

It is believed the many and varied services of the Government will be effective in the degree they are known and used.

Correspondence concerning the publication should be addressed to the Deputy Minister, Department of Economic Affairs, Legislative Buildings, Edmonton.

Report Shows

Debt Reduced

The public debt of the Province of Alberta has been reduced by approximately $39,000,000 in the past 12 years.

This was revealed in a report compiled by the Treasury Department which showed the total public debt of the Province at the start of the 1936 fiscal year at $167,000,000 and the present total at $128,000,000.

Total of funded debts, consisting of debentures, treasury bills and guaranteed debenture issues, was estimated at $121,504,000 on March 31, 1948. The net funded and guaranteed debt, totalled at $148,613,000 on the corresponding date in 1936, shows a reduction of slightly more than $27,100,000.

Savings certificates, bank loans, pension fund and other miscellaneous liabilities, all of which comprise the unfunded debt of the Province, showed a decrease of $11,900,000 over the same period.

To account for these decreases over $26,000,000 was provided from general revenue funds and moneys set aside for sinking fund purposes. Remainder of $13,000,000 consists of $8,000,000 awarded the Province by the Dominion Government with respect to the transfer of natural resources and a $5,000,000 write-off by the senior government of a portion of Alberta's treasury bill indebtedness.

Five-Point Policy Designed To Protect the Interests of the People

The Alberta Government's policy governing natural resources is based on the belief there are five essentials if this Province's rich resources are to be developed in the best interests of the people of Alberta and of Canada. This five-point policy is designed:

1. To take all reasonable steps necessary to encourage orderly development to meet the ever increasing demand for petrolum products and to make Canada less dependent on other countries for these essential products.
2. To insist that all development is carried on according to the best known engineering practices, thereby preventing waste and assuring the greatest ultimate recovery.
3. To establish prospecting and leasing regulations designed to effectively prevent monopoly, and encourae individual enterprise. Only by the existence of wholesale rivalry where free and competitive enterprise is carried on can we expect to get the most active development.
4. To obtain for the people of the Province as a whole, a fair share of the returns resulting from the production of oil.
5. To assure to the owner of surface rights fair and generous treatment in determining and awarding full and proper compensation for any loss, damage or inconvenience.

PRODUCE 88 PERCENT

Although Alberta fields produce practically 88 percent of Canadian oil, that figure represents only between seven and 10 percent of the Canadian requirement or about one-third that of the prairie provinces.

The Alberta Government's five-point policy is aimed at achieving self-sufficiency in this important resource.

The government believes it would be foolhardy to gamble public funds in the enormous cost of oil exploration, drilling, refining and other operations. One company alone has spent in excess of $6 millions without producing one barrel of oil. Five large companies sharing the cost of a test have spent to date more than $1 million on that alone and the test is not completed.

The Government is not giving away mineral rights to foreign countries. Not since natural resources were vested in the Province in 1930, or in fact since about 1887, has the title to Crown-owned minerals been sold or alienated. Oil development can only be carried on under authority of a lease, and rights granted by that lease are subject to regulations, existing or future.

FUNDS NOT GAMBLED

No public funds are ventured in the development of oil. If a search fails, the people of Alberta lose nothing. If it succeeds, the public treasury immediately begins to reap royalties, as well as $1 an acre rental whether the lease is productive or not.

Flexibility of oil regulations is thought important inasmuch as it is not yet considered that exploration and development have reached a stage where policy can be finalized. Nevertheless a long term policy was set in certain important respects during the past year and important changes effected in exploration permit and lease regulations. Until last April, for example, royalties might be increased without notice; now one-sixth is the maximum the government may collect during the 21-year term of a lease. Under an order which expires in 1951 the royalty now collectable is a choice between one-eighth or a sliding scale based on daily average production with five percent as a minimum and fifteen percent as a maximum.

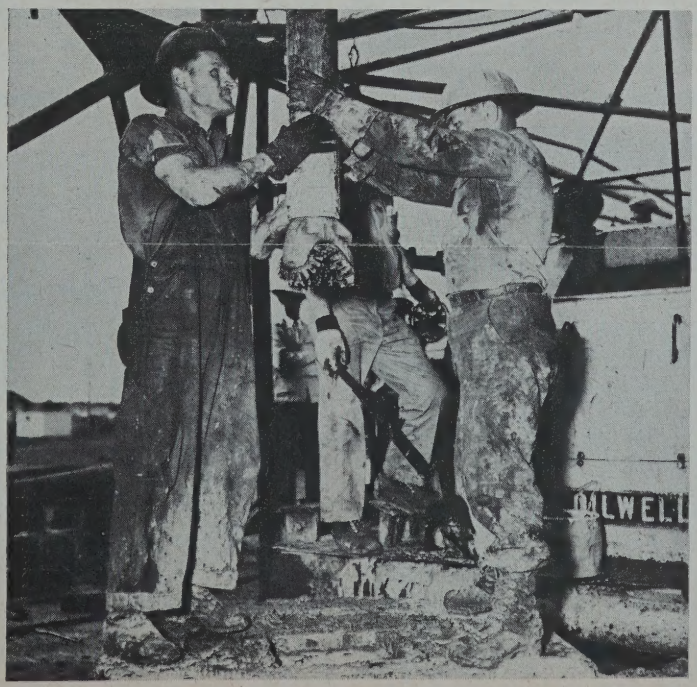
A special concession in royalty for a discovery well, granted during war years, was abolished in July of last year.

Another important amendment is that whereas in the past it was possible to pass retroactive changes in the regulations or in legislation, such changes in future will affect only those taking out permits or leases subsequently.

EXPLORATION ENCOURAGED

Exploration is encouraged by a system of permits or reservations on large tracts. The limit of a prospecting permit, under the new regulations, is 100,000 acres. There is no fee for the first year's exploration, but the applicant makes a deposit with

(Continued on Page 4)



A NEW BIT IS READIED . . .

Alberta's Resources and Industries at a Glance

The natural resources of Alberta have long since placed this Province in a premier position among the provinces of Canada as a result of their development, which has grown speedily in recent years, and promises much in the Dominion's industrial world of the future.

The potential wealth of Alberta is represented by its agriculture, oil, natural gas, coal, bituminous sands, salt, forests, fisheries and water power. These will be able to contribute on a substantial scale to the industrial, commercial and community life of the Dominion now that the war period has passed.

Area

Land (Sq. Miles)	Water (Sq. Miles)	Total (Sq. Miles)
248,800	6,485	255,285

Population

803,330—1946 census—a little more than three persons to the square mile.

Total Farming Area in Alberta

Agricultural Area	100,000,000 acres
Arable land	70,000,000 acres
Non-arable land	30,000,000 acres
DISPOSITION OF ARABLE LAND (70,000,000 ACRES)	
Occupied farm land—cultivated	20,000,000 acres
Occupied farm land—non-cultivated	20,000,000 acres
Non-occupied farm land	30,000,000 acres
FARM HOMES	89,561
FARM POPULATION	448,934

AGRICULTURE

Allied Industries—Animal Products

Packing Plants

Number of plants	13
Annual value of production	$ 95,000,000
Average number of employees	4,000
Annual pay-roll	$ 7,000,000

Livestock and Poultry

	Number	Value
Cattle and Calves	1,654,000	$126,136,000
Sheep and Lambs	613,800	6,053,000
Swine	964,100	21,940,000
Poultry	10,916,000	10,016,000
Horses	410,900	19,619,000

Leather Goods

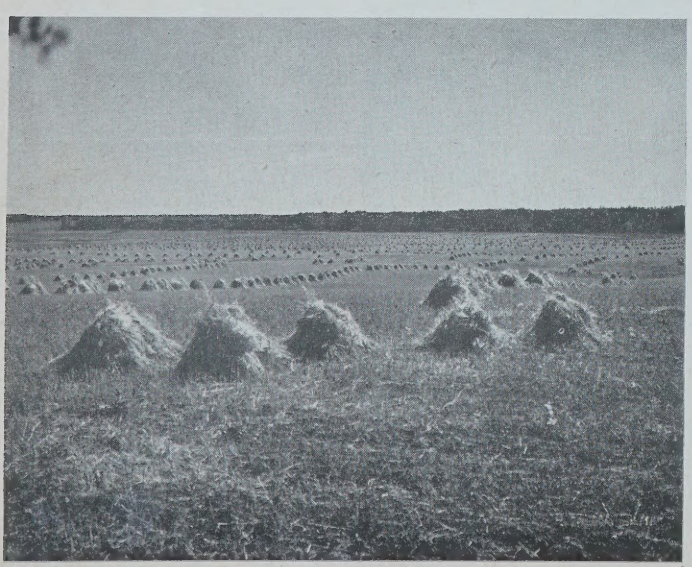
(Including Tanneries)

Number of Plants	12
Annual value of production	$ 400,000
Average number of employees	143
Annual pay-roll	$ 161,000

Clothing, Hosiery, Woolens, Knitted Goods, Etc.

Number of plants	34
Annual value of production	$ 4,500,000
Average number of employees	1,000
Annual pay-roll	$ 1,300,000

	lbs.	Value
Wool production	2,544,000	$ 654,000



ALBERTA'S BASIC WEALTH . . .

A GROWING INDUSTRY . . .

Creameries, Cheese Factories, Etc.

Number of Plants	112
Annual value of production	$ 25,000,000
Average number of employees	1,800
Annual pay-roll	$ 2,600,000
Creamery butter production (lbs.)	32,000,000
Value	$ 16,355,000
Factory cheese production (lbs.)	3,100,000
Value	$ 1,161,000
Concentrated milk (lbs.)	14,000,000

	Number	Value
Milch cows	315,900	$ 34,117,000

ALLIED INDUSTRIES

Grain and Vegetable Products

Flour and Feed Mills

Number of mills	119
Annual production of flour (barrels)	3,500,000
Annual production of feed (tons)	270,000
Average number of employees	1,300
Annual pay-roll	$ 2,100,000

Bakeries

Number of bakeries	180
Value of annual production	$ 7,000,000
Average number of employees	1,250
Annual pay-roll	$ 1,700,000

Breakfast Foods, Stock and Poultry

Number of plants	35
Value of annual production	$ 7,000,000
Average number of employees	330
Annual pay-roll	$ 450,000

Grain Crops

	Bus.	Value
Wheat	103,000,000	$116,390,000
Oats	75,000,000	48,000,000
Barley	52,000,000	47,320,000
Rye	4,250,000	14,323,000
Mixed grains	359,000	266,000
Peas	222,000	591,000
Beans	2,000	8,000

Vegetable Oil Mills

Linseed oil (gallons)	700,000
Oil cake meal (tons)	6,000

Flax

Flax (bushels)	2,150,000

Miscellaneous—Vegetable Products

Number of plants	46
Value of annual production	$ 24,000,000
Average number of employees	1,600
Annual pay-roll	$ 2,500,000
Sugar production (lbs.)	99,530,900
Beet pulp (tons)	102,530
Betalasses (tons)	12,166
Canned vegetables (cases)	1,000,000

Root Crops

	Cwt.	Value
Potatoes	1,960,000	$ 3,959,000
Sugar beets	366,179	5,273,000

OTHER NATURAL RESOURCES
ALLIED INDUSTRIES

Forests

Forest area	sq. miles	159,000
Number of saw mills (plus 300 portable saw mills)		400
Production of lumber—1947	ft. b.m.	345,835,168
Value		$ 15,500,000
Average number of employees		7,500
Annual pay-roll		4,500,000
Total forest resources, saw material, pulpwood, cordwood, etc.	cu. ft.	30,000,000,000
Total accessible forest resources		15,000,000,000

Coal

Number of coal mines		200
Annual production	tons	8,074,596
Value		$ 36,317,343
Average number of employees		9,000
Annual pay-roll		$ 19,000,000

More than three-quarters of Canada's coal reserves are in Alberta. The estimated total of reserves at present accessible in the Province is placed at 6 billion tons. Classification of same is bituminous, 59%, sub-bituminous, 23%; lignite or domestic, 18%.

PETROLEUM AND NATURAL GAS

Average number of employees		3,100
Annual pay-roll		$ 6,000,000

Petroleum

Number of wells producing		606
Annual production—1947	barrels	6,809,284
Value		$ 18,078,907

The extent of Alberta's oil reserves is as yet undetermined. The Province produced 94% of Canada's oil in 1947.

Natural Gas

Annual consumption—1947	M. cu. ft.	49,001,806
Value		$ 8,330,000

Alberta produced 84% of Canada's total natural gas consumption in 1947.

Refineries

Number of refineries		14
Annual production	gallons	215,000,000
Value		$ 21,000,000
Average number of employees		700
Annual pay-roll		$ 1,300,000

Total Minerals

Oil, Natural Gas, Coal, Bituminous Sands, Clays, Lime, Stone, Cement, Salt. Sand, Gravel, Gold, Silver, etc.

Number of plants, excluding refineries		990
Value of annual production		$ 67,500,000
Average number of employees		14,000
Annual pay-roll		$ 27,600,000

Wild Life

Annual production of furs, 1947—

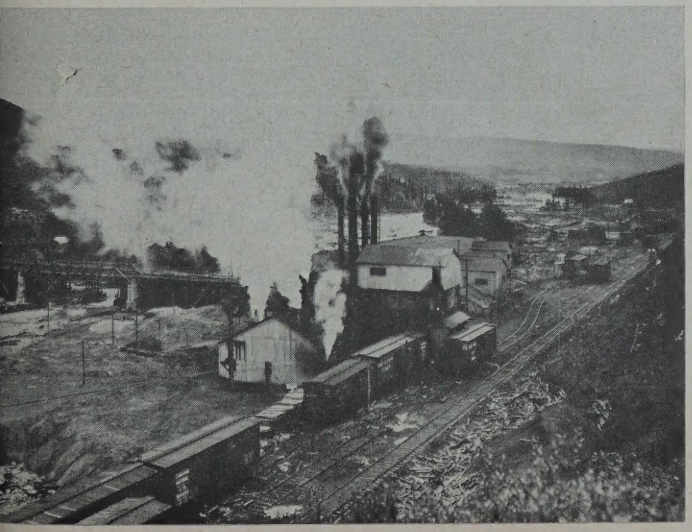
Number of pelts		1,695,936
Value		$ 1,566,308

Game and Fur

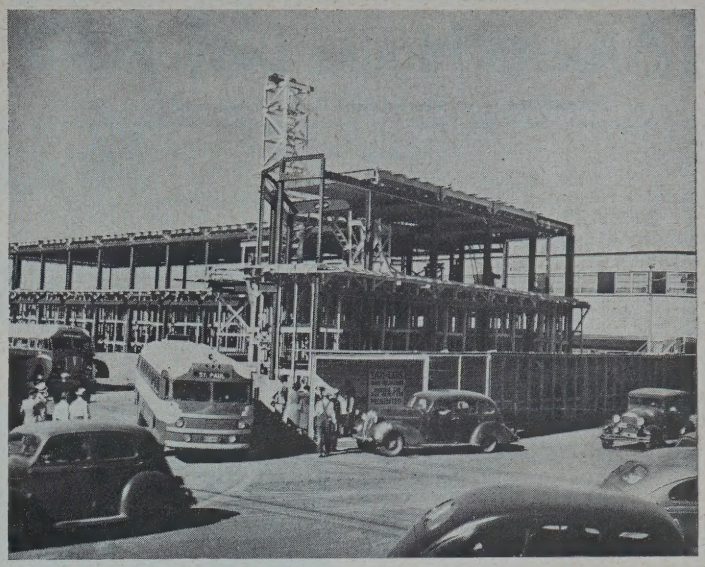
Alberta furs—Ermine, Fox, Mink, Muskrat, Beaver, Squirrel, etc.

Fur Farms

Number of fur farms		1,358
Annual production of fur (fur farms), 1947—		
Animals pelted		141,717
Value of pelts		$ 2,172,500
Number of animals on farms		234,667



COAL FOR DOMESTIC AND INDUSTRIAL USE . . .



NEW CONSTRUCTION ON EVERY SIDE . . .

Fur Goods

Number of plants		20
Value of annual production		$ 350,000
Average number of employees		100
Annual pay-roll		$ 130,000

Commercial Fisheries

Annual production of fish	lbs.	11,202,589
Market value		$ 1,256,141
Average number of employees		5,700

Alberta fish: Whitefish, Trout, Perch, Tullibee, Pickerel, Pike, etc.

Central Electric Stations

Number of plants		86
Annual production of electrical energy	Kw. Hrs.	610,000,000
Revenue earned		$ 10,000,000
Average number of employees		1,000
Annual pay-roll		$ 1,800,000

Water Power

Potential water power in Alberta is given at 1,049,500 h.p. at ordinary six months flow and 390,000 h.p. at ordinary minimum flow. Of this 94,997 h.p. is at present developed and in use.

Salt

Annual production	tons	29,552
Wellhead valuation		$ 295,520
Employees		50 to 60

Alberta's salt reserve at Waterways (McMurray) is estimated at 30,000,000 tons. No estimate is yet available for the Vermilion field.

Bituminous Sands

The area covered by the bituminous sands reserve in northern Alberta (McMurray district) is at least 10,000 square miles. The area on further exploration may double or even treble this figure. Estimates of potential oil production from these sands is given a minimum of one hundred billion barrels of oil. Of this vast accumulation less than 20 square miles are at present accessible for mining—containing about one billion barrels of oil. A plant is being erected at Bitumount on the Athabasca River, 50 miles downstream from McMurray, which will be used for separation process of the outcrop.

MISCELLANEOUS STATISTICS

Trade and Commerce

	1946	1947
Manufacturing industries (Value of production)	$ 255,000,000	$ 263,000,000
Wholesale trade	241,522,489	292,772,294
Retail trade	383,806,000	415,000,000
Bank clearings	1,441,386,752	1,643,301,463
Bank debits	3,036,964,322	3,359,727,031
Building permits (four cities)	29,571,947	27,136,570
Construction—contracts awarded	38,971,900	47,425,100
Customs duty receipts	5,657,294	7,557,171
Highways, gravelled and hard surfaced..miles	9,847	10,350
Railway mileage	5,820	5,828

Alberta's reserves contain about 90% of Canada's oil, the bulk of the Dominion's coal, natural gas and the greatest outcrop of bituminous sands on earth. Added to these are vast reserves in salt, water power, forests, fisheries, fur and immense areas of agricultural lands awaiting development. To this again must be added the consideration of a possible huge metallic area in the north-east of the Province awaiting survey. Such being the case, the Province is in a pre-eminent position to offer to settlers and investors unlimited agricultural and industrial opportunities which are unequalled by any other province in the Dominion of Canada.

Industrial development, to the end of creating within the economy of Alberta a balanced agricultural-industrial organization, is the aim of Alberta's government.

Through the Department of Trade and Industry and the Department of Economic Affairs, measures designed to expand industrial development are continually being pressed.

Alberta offers manifold opportunities to industry and workers alike. Vast natural resources plus an energetic and industrious people, combine to make Alberta pre-eminent in the field of development.

Alberta House Busy Place

The following article on the activities of the newly-established Alberta Government office in London is taken from the Edmonton Journal.

By GILBERT SAUNDERS

LONDON

A little bit of London that is Alberta—37 Hill Street just off famous Berkeley Square—is being spruced up for its offical opening in the fall.

The sounds of carpenters and decorators at work echo through the corridors of what was once a fine private house in the heart of fashionable Mayfair.

Potential emigrants seeking out Alberta House hardly ever find it the first time, even though the number "37" is painted boldly on the pillars of the porch. The only sign outside the place at present is a board advertising the firm of contractors in charge of renovations.

Apart from the conversion work, the building is having its first overhaul since the blitz. Hill Street had more than its share of bombs and there are big gaps where the wreckage of four-storey buildings has been cleared. Tell-tale marks of blast remain on those that escaped direct hits.

* * *

Across the hall of No. 37 has been placed a reception desk. Behind it sits a pleasant young woman from Lethbridge who deals with callers and attends to a small switchboard. She, like the rest of the staff at Alberta House, has been kept pretty busy since the moving-in date in February last. There have been 7,000 applications for emigration since then and they continue to roll in at a steady 25 to 30 a day. Most of them, of course, are made by letter and Alberta House is unique among Canadian provincial offices in London in that every inquirer gets a personal letter, typed and signed for his or her benefit. Other departments send out duplicated sheets but here the importance of the personal touch is emphasized and employed as long as the staff can cope with the business.

* * *

Every so often there is a big increase in the number of letters from Britishers anxious to start a new life in the Dominion. When that happens the emigration officials know that an article on the subject has appeared in a newspaper or magazine somewhere. A few weeks ago such a feature appeared in a British publication concerning Alberta. The morning mail delivered at 37 Hill Street became four to six times heavier, with up to 150 letters in every post. Things stayed that way for several days before returning to normal.

* * *

Such publicity is not always welcomed. It may paint glowing pictures in the minds of emigrants and that such a policy was the only fair leave them to discover one or two hard realities for themselves. They get realistic information at Alberta House where it was early recognized line to take, both for the emigrant and for Canada. Every assistance is given and the atmosphere is cordial and helpful; but the emigrants get all the facts first time.

Last month a middle-aged man and his grown son, both of them skilled tool-makers, paid a call. They had planned to go to Ontario but they had read about Alberta and changed their minds. The official who interviewed them questioned them closely about their trade and then said: "Take some good advice and go to Windsor, Ontario. There you will find many opportunities. We would like to have you in Alberta but your scope would be badly limited." They thanked him for his counsel—and took it.

The close liaison between the emigration departments in London and Edmonton was strikingly illustrated recently when notification arrived that a doctor with certain special qualifications was required in Medicine Hat. Mr. R. A. McMullen, agent-general, was in Sheffield soon afterwards and met a doctor, who he realized was just the man for the job. The doctor sailed on the fifth of this month.

* * *

Mr. McMullen, short, sturdy and affable, sees almost every caller to Alberta House—another practice which is not general. Anyone who feels in awe about being ushered into the office of the agent-general, however, is put at ease before the door closes. There is a reassuring air of homeliness about the informal room and the armchair to which one is waved. The A.G. may have a hundred things on his mind but he treats every caller as if he is a welcome neighbor who has dropped in for a chat. His speech is deliberate and gives one the impression that every sentence is weighed before it is uttered.

* * *

Mr. McMullen's chief headache at the moment is the latest financial restriction on sterling which is permitted to be taken out of the country. The limitation of $4,000 in four yearly instalments of $1,000 was a cruel blow to a province which had put the accent on family migration and had set a target of 400,000 emigrants in ten years.

"That ruling of Sir Stafford Cripps reduced the effectiveness of my department by eighty percent" he told me. "It does not hit the single man so much; but of what use is a thousand dollars a year to a family man who is trying to establish a new life in a different land? Just before that ruling was made we had almost completed arrangements for a man who was going to Alberta with his entire family and capital of $40,000. Of course, he had to cancel everything."

Within the limits of such restrictions, however, the organization at Alberta House is gaining momentum and is now awaiting delivery of literature to step up its publicity campaign.

* * *

A foreword by the Hon. E. C. Manning to a well-produced brochure makes effective reading:

"Alberta has given her share of men, materials and money to the cause of freedom . . . It is our earnest desire that her contribution to post-war reconstruction will be as great as her contribution to the war effort. Our wheat fields and ranches are capable of providing food for a hungry world. Our forests contain sufficient timber for a million new homes. Our coal could warm the hearths of all Canada; and our oil will drive the wheels of the nation."

- - R. A. McMULLEN - -

- - THE MAIN ROOM - -

Here in this room of Alberta House future Alberta citizens are interviewed by an all-Canadian staff. In charge of the staff is Stan Fidler, Edmonton war hero, seated at desk, centre background.

POLICY ON RESOURCES

(Continued from Page 1)

his application and this is returnable as corresponding sums are spent on exploration.

After the first year, extensions of three months may be secured up to two more years. For the first and second quarters of the second year the extension fee is seven cents an acre and for the third and fourth quarters eight cents. An extension for the third year will be granted if a well is drilled, for which the fee will be ten cents an acre for the first three months, 15 cents an acre for the second three months, 20 cents an acre for the third and 25 cents for the final.

Prospecting completed, the permit holder may now lease half the area he holds under reservation in blocks of not more than nine sections. These blocks may be corner to corner but not otherwise adjoining.

APPLY AGAINST RENTALS

The permit holder is allowed to apply his prospecting expenses against the first year's rentals under his lease. The effect of this is that he has virtually two years' operations free if he has spent sufficient on his prospecting.

Some relaxation in the number of wells the lessee is committed to drill can be had by grouping, which is permitted up to 11,520 acres within a 3-mile radius. One well is required on each lease or group and if production is found, another well has to be started within 90 days.

Any crown oil rights remaining after conversion from a reservation to a lease becomes a Crown reserve available for disposal in smaller tracts.

Any tendency toward monopoly is checked, and competition encouraged, by the Province having set aside Crown reserves to be disposed of as, when and on terms approved by the Government. Thus, no company or syndicate of whatever size can lease more than one-half of a prospecting permit and that only in blocks of not more than 10,000 acres.

As already explained, the present royalty is a choice between one-eighth or a sliding scale based on the daily average production with five percent as a minimum and 15 percent as maximum. To illustrate how the public's stake in the petroleum resources is protected it is timely to recall that when natural resources were transferred from the Dominion to the Province in 1930 the royalty was five percent and that this was raised to 10 percent and later to 12½ percent and is subject to a 16⅔ percent royalty.

SURFACE RIGHTS

Farmers who own the surface rights of their lands are given particular protection in addition to the general protection of their share in the returns as citizens. A board of arbitration is set up under The Right of Entry Arbitration Act, whose function is to see that the land owner is liberally compensated, without regard to whether oil is found on his property or not, for damage or inconvenience incidental to the search for oil.

Economy of operation is assured by a policy of conservation which appears to be widely recognied all over the American continent. In 1938 the Government created the Petroleum and Natural Gas Conservation Board with a staff of engineers whose function is to assure there is no unnecessary waste and that the best and most economical engineering practices are followed.

The United States, by far the greatest of oil producing powers, is barely able to meet its own needs. Canada is compelled to import millions of barrels every year to meet the requirements its own oilfelds cannot fill. From the national point of view an embargo or a limitation upon oil exports from the United States would not be unwarranted either morally or economically. But the wheels of a lot of Canadian machiery would cease turning as a result.

The importance is plain, therefore, of making Canada self-sufficient in oil products. Toward this achievement Alberta, producing some 90 percent of the nation's oil, has a grave responsibility.

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